



Bulletin

2015-08B

TO: City and Town Officials

FROM: Anthony A. Rassias, Deputy Director of Accounts

DATE: April 2015

SUBJECT: 2015 Municipal Transportation Bond Bill

This *Bulletin* explains implementation of the so-called 2015 Municipal Transportation Bond Bill that was recently signed by Governor Baker. The bill authorizes funds for the construction and reconstruction of certain municipal ways. [Chapter 11 of the Acts of 2015](#).

Guidance

As with past transportation bond bills, the funds under this law will be distributed to each qualifying city and town for reimbursement of expenditures on approved projects. In order to finance these expenditures, cities and towns may appropriate their eligible reimbursement as an available fund, but only after MassDOT notifies them of that amount and the Bureau of Accounts approves expenditure of that amount from available cash on hand. St. 2015, c. 11, § 2, line item 6122-1524.

By this Bulletin, the Bureau is advising local accounting officials that expenditures may be made from cash on hand provided proper project approval has been given by MassDOT. No further approval or certification from the Bureau will be provided.

To properly finance these projects, a city or town may use short-term borrowing ([G.L. c. 44, § 6A](#)) or interfund borrowing ([G.L. c. 44, § 20A](#)).

- A city or town may borrow in anticipation of State reimbursement under [G.L. c. 44, § 6A](#) for two years. Authorization to borrow does not require city/town council or town meeting action and the reimbursement is applied to repay the borrowed amount without further appropriation. This method of financing is recommended if reimbursement is not expected until after September 30, 2015 or if general cash is low.

- A city or town may interfund borrow under [G.L. c. 44, § 20A](#). As explained in Section IV of [IGR 92-105](#), interfund borrowing may occur once short-term borrowing has been approved under [G.L. c. 44, § 6A](#). For free cash not to be reduced, short-term financing must then be issued on or before June 30, 2015, unless reimbursement has been received, or a request for reimbursement has been filed with MassDOT on or before September 30, 2015.

For cities and towns using the State House Notes Program, please include a project request form signed by the appropriate city or town officials and by MassDOT, or a properly completed Chapter 90 reimbursement request submitted to MassDOT, along with the Note to the Public Finance Section of the Bureau of Accounts.

If you have any further questions in this matter, please contact your Bureau of Accounts field representative.